

**CUSTODIAL AGREEMENT**

by and among

**NATIONAL BANK OF CANADA**

as Issuer, Seller, Servicer and Cash Manager

and

**NBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**

as Guarantor

and

**COMPUTERSHARE TRUST COMPANY OF CANADA**

as Custodian and Bond Trustee

October 31, 2013

## CONTENTS

Articles	Page
Article 1 - Definitions .....	2
Article 2 – Appointment of Custodian.....	2
Article 3 - Services to be Provided .....	2
Article 4 – Obligations of the Seller .....	3
Article 5 - Obligations of the Servicer.....	4
Article 6 – Representations, Warranties and Covenants of the Custodian.....	4
Article 7 – Confidentiality .....	6
Article 8 - Indemnity and Limitation of Liability .....	7
Article 9 - Remuneration, Costs and Expenses .....	8
Article 10 - Termination .....	9
Article 11 - Notices .....	9
Article 12 - Non-Petition .....	11
Article 13 - General .....	11

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT (this “**Agreement**”) is made as of this 31<sup>st</sup> day of October, 2013.

### BY AND AMONG:

**NATIONAL BANK OF CANADA** (hereinafter referred to as the “**Issuer**”), a bank named in Schedule I to the *Bank Act* (Canada), whose executive office is at 600 De La Gauchetière Street West, Montréal, Québec, Canada H3B 4L2, as Account Bank (in its capacity as Seller, hereinafter referred to as the “**Seller**”; in its capacity as Servicer, hereinafter referred to as the “**Servicer**”; in its capacity as Cash Manager, hereinafter referred to as the “**Cash Manager**”)

- and -

**NBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Ontario, whose registered office is at Box 48, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario, Canada, M5K 1E6, by its managing general partner **NBC COVERED BOND (LEGISLATIVE) GP INC.** (hereinafter referred to as the “**Guarantor**”)

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada, whose registered office is at 1500 University Street, Suite 700, Montréal, Québec, Canada H3A 3S8 acting in its capacity as Custodian (hereinafter referred to as the “**Custodian**”)

- and -

**COMPUTERSHARE TRUST COMPANY OF CANADA**, a trust company formed under the laws of Canada, whose registered office is at 1500 University Street, Suite 700, Montréal, Québec, Canada H3A 3S8 acting in its capacity as Bond Trustee (hereinafter the “**Bond Trustee**”)

### WHEREAS

- A. The Guarantor will from time to time acquire Portfolio Assets from the Seller in accordance with the terms of the Mortgage Sale Agreement and may also acquire Substitute Assets in connection with the Programme.
- B. The Custodian has offered to provide the Guarantor with, and the Guarantor has agreed to engage the Custodian to so provide, certain services with respect to the Portfolio Assets and Substitute Assets held by the Guarantor.

**NOW IT IS HEREBY AGREED** as follows:

### **ARTICLE 1 - DEFINITIONS**

- 1.1 The Master Definitions and Construction Agreement made between the parties to the Transaction Documents on October 31, 2013 (as the same may be amended, varied or supplemented from time to time with the consent of the parties to the Master Definitions and Construction Agreement) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, varied or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in Section 2 of the Master Definitions and Construction Agreement.
- 1.2 For the purposes hereof, "this Agreement" has the same meaning as Custodial Agreement in the Master Definitions and Construction Agreement.
- 1.3 Save as expressly provided herein, any representations, warranties or undertakings provided under this Agreement are made to each other party to this Agreement.

### **ARTICLE 2 – APPOINTMENT OF CUSTODIAN**

- 2.1 The Issuer and the Guarantor hereby confirm the appointment of the Custodian as the lawful custodian of the data and documents delivered to it hereunder in connection with the Programme. The Custodian hereby accepts such appointment on the terms and subject to the conditions of this Agreement. The Bond Trustee consents to the appointment of the Custodian on the terms of and subject to the conditions of this Agreement.

### **ARTICLE 3 - SERVICES TO BE PROVIDED**

- 3.1 Subject to Section 3.2, the Custodian is prepared to provide the following services (the "**Custodial Services**"):
  - (a) securely and confidentially hold and store all data and documents delivered to it pursuant to this Agreement;
  - (b) upon reasonable request, make available to the Asset Monitor such data and documents held by the Custodian in connection with the Programme as the Asset Monitor may require to enable it to perform its obligations under the Asset Monitor Agreement or otherwise in connection with the Programme;
  - (c) upon reasonable request, make available to CMHC such data and documents held by the Custodian in connection with the Programme as CMHC may require to enable it to verify that the Issuer, Guarantor and Programme are in compliance with the CMHC Guide and the Covered Bond Legislative Framework; and

- (d) such other custodial services in respect of the Portfolio Assets and the Substitute Assets as may be required by the CMHC Guide and the Covered Bond Legislative Framework from time to time.
- 3.2 In providing the Custodial Services, the Custodian shall not be required to expend or risk its own funds or otherwise incur financial liability in the performance of any of the Custodial Services or in the exercise of any of its rights or powers in connection therewith.
- 3.3 The Custodian shall be responsible for any person appointed by it to provide any of the Custodial Services.
- 3.4 The Custodian shall not be responsible for the verification of any documents delivered to it pursuant to the terms hereof or be obligated to determine whether such documents satisfy the requirements of the terms hereof or the CMHC Guide.
- 3.5 The Custodian is performing its role hereunder solely as a custodian and is under no obligation or requirement to take instructions from or otherwise comply with requests from other parties unless specifically provided for pursuant to the terms hereof.

#### **ARTICLE 4 – OBLIGATIONS OF THE SELLER**

- 4.1 On or prior to the First Transfer Date, the Seller shall deliver to the Custodian (a) for safekeeping separate irrevocable powers of attorney in favour of the Guarantor or its nominee substantially in the form contemplated by Section 7.5 of the Mortgage Sale Agreement and duly executed by the Seller and each applicable Originator, and (b) an opinion of counsel to the Seller confirming that such powers of attorney are (i) valid and enforceable against the Seller or the applicable Originator, as the case may be, and (ii) sufficient to allow the Guarantor or its nominee to effect the transfer of title of the Mortgages transferred to it by the Seller or the applicable Originator, as the case may be.
- 4.2 On or prior to each Transfer Date and each date on which the Guarantor (or the Cash Manager on its behalf) invests in or otherwise acquires Substitute Assets, the Seller, or the Servicer or the Cash Manager on behalf of the Seller, shall deliver to the Custodian for safekeeping (a) Eligible Loan Details, and (b) Substitute Asset Details in respect of the Portfolio Assets and Substitute Assets, if any, transferred by the Seller to, or otherwise acquired by, the Guarantor on such date.
- 4.3 Within one Canadian Business Day following each transfer of Portfolio Assets and/or Substitute Assets from the Guarantor to any Person, the Seller, or the Servicer or the Cash Manager on behalf of the Seller, shall deliver to the Custodian for safekeeping (a) Eligible Loan Details, and (b) Substitute Asset Details in respect of the Portfolio Assets and Substitute Assets, if any, transferred by the Guarantor on the date of such transfer.
- 4.4 On or prior to the date that is three months after the First Transfer Date and at least every three months thereafter, the Seller, or the Servicer or the Cash Manager on behalf of the Seller, shall (a) deliver to the Custodian for safekeeping, updated (i) Eligible Loan Details, and (ii) Substitute Asset Details in respect of all Portfolio Assets and Substitute Assets held by the Guarantor, respectively, and (b) confirm to the Custodian that it is not aware of any change in law affecting or reasonably expected to affect the enforceability of the powers of attorney previously delivered to the Custodian in accordance with Section 4.1(a).

- 4.5 Forthwith following a change in law affecting or reasonably expected to affect the enforceability of the powers of attorney previously delivered to the Custodian in accordance with Section 4.1(a), the Seller shall deliver to the Custodian updated powers of attorney contemplated by Section 4.1(a) and the corresponding opinion of counsel to the Seller contemplated by Section 4.1(b).
- 4.6 On or prior to each anniversary of the First Issue Date, the Seller shall deliver to the Custodian an opinion of counsel to the Seller confirming that each of the powers of attorney delivered to it pursuant to Section 4.1(a) (unless replaced by Section 4.5) and Section 4.5, as applicable, continue to be (a) valid and enforceable against the Seller or the applicable Originator, as the case may be, and (b) sufficient to allow the Guarantor or its nominee to effect the transfer of title of the Mortgages transferred to it by the Seller or the applicable Originator, as the case may be.
- 4.7 Forthwith upon the earlier of the occurrence of an event described in Section 7.1(a) of the Mortgage Sale Agreement and a Notification Event, the Seller, or the Servicer or the Cash Manager on behalf of the Seller, shall deliver to the Custodian (a) for safekeeping, updated (i) Eligible Loan Details, and (ii) Substitute Asset Details in respect of all Portfolio Assets and Substitute Assets held by the Guarantor, respectively, and (b) to the extent not previously delivered to the Custodian, each of the powers of attorney required by Section 4.1(a) (unless replaced by Section 4.5) and Section 4.5, as applicable, together with documentary evidence of chain of title to the Portfolio Assets and Substitute Assets held by the Guarantor and duly executed copies of any other registrable forms of assignment that may be required by the Guarantor in order to Perfect the sale, assignment and transfer of the Portfolio Assets from the Seller to the Guarantor, including for greater certainty, any additional documents that may be required for such purposes pursuant to the CMHC Guide or otherwise in respect of the Quebec Purchased Assets.
- 4.8 A copy of each opinion delivered to the Custodian pursuant to this Article 4 shall be delivered by the Seller contemporaneously to CMHC.

#### **ARTICLE 5 - OBLIGATIONS OF THE SERVICER**

- 5.1 Upon the earliest to occur of (a) an Insolvency Event with respect to the Servicer, and (b) a Servicer Termination Event (other than an Insolvency Event with respect to the Servicer) that has not been cured within 30 days or such shorter period provided for in the Servicing Agreement, the Servicer must deliver to the Custodian in electronic form, including on CD-ROM or other acceptable form of data storage medium (where available), or otherwise provide the Guarantor or its agents, including the Custodian, reasonable access to the Loan and Related Security Files and all other books and records of account in respect of the Covered Bond Portfolio in order to facilitate a transition in servicing the Covered Bond Portfolio.

#### **ARTICLE 6 – REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CUSTODIAN**

- 6.1 The Custodian hereby represents, warrants and undertakes to, and covenants with, each of the Guarantor, the Seller and the Servicer that without prejudice to any of its specific obligations hereunder:

- (a) it possesses the necessary experience, qualifications, facilities, systems and other resources to perform its responsibilities under this Agreement and the other Transaction Documents to which it is a party and it will devote all due skill, care and diligence of a reasonable custodian in similar circumstances to the performance of its obligations and the exercise of its discretions hereunder;
- (b) it will comply with the provisions of, and perform its obligations under, this Agreement, the other Transaction Documents to which it is party and the CMHC Guide;
- (c) it is and will continue to be in good standing with its regulator;
- (d) it is and will continue to be in compliance with its internal policies and procedures relevant to the services to be provided by it pursuant to this Agreement and the other Transaction Documents to which it is party;
- (e) it is and will continue to be in compliance with all laws, regulations and rules applicable to it in relation to the services provided by it pursuant to this Agreement and the other Transaction Documents to which it is a party;
- (f) it is a federally or provincially chartered institution authorized to act in a fiduciary capacity with respect to valuable documents;
- (g) it is equipped with secure, fireproof storage facilities, with adequate controls on access to assure the safety, confidentiality and security of the data and documents delivered to it pursuant to this Agreement in accordance with customary standards for such storage facilities;
- (h) it will use employees who are knowledgeable in the handling of mortgage and security documents and in the duties of a mortgage and security document custodian;
- (i) it has computer systems that can accept electronic versions (including on CD-ROM or other acceptable form of data storage medium) of the data and documents delivered to it pursuant to this Agreement and is able to transmit such data, in a form that is generally readable by computer systems, to the Asset Monitor, CMHC, the Guarantor and its agents and any successor Servicer appointed pursuant to the Servicing Agreement; and
- (j) it is at arm's length from, and otherwise independent and not an Affiliate of, the Issuer.

6.2 The Custodian covenants and agrees with the Guarantor that it shall remain responsible for the data and documents delivered to it pursuant to this Agreement until the earlier of:

- (a) the release of such data and documents to a replacement Custodian in accordance with the terms of this Agreement;
- (b) the termination of the Programme, upon which the Custodian shall either
  - (i) release such data and documents to the Seller (or to such other owner of the Portfolio Assets and Substitute Assets to which such data and documents relate)

or as it may direct, or (ii) destroy such data and documents at the instructions of, and in accordance with such procedures as may be satisfactory to, the Seller (or such other owner of the Portfolio Assets and Substitute Assets to which such data and documents relate); and

- (c) in relation to a particular Portfolio Asset or Substitute Asset, its disposition thereof by the Guarantor or its maturity, upon which the Custodian shall either (i) release such particular data and documents to the owner of the related Portfolio Asset or Substitute Asset or as it may direct, or (ii) destroy such particular data and documents at the instructions of, and in accordance with such procedures as may be satisfactory to, the owner of the related Portfolio Asset or Substitute Asset.
- 6.3 The Custodian shall maintain privacy policies and procedures consistent with the terms of this Agreement and compliant with all Applicable Privacy Laws. In all cases and without limiting the foregoing, the Custodian shall comply with Applicable Privacy Laws in the performance of its obligations under this Agreement. For greater certainty, and without limiting the foregoing, the Custodian shall have in place and maintain, policies governing the collection, use, disclosure, management and security of Personal Information, including, without limitation, an outline of the procedure and reasonable measures that the Custodian has in place to maintain the security of such Personal Information.
- 6.4 Nothing in this Agreement shall prevent the Custodian from rendering or performing services similar to those provided for in this Agreement to or for itself or other persons, firms or companies or from carrying on business similar to or in competition with the business of the Guarantor.

## ARTICLE 7 – CONFIDENTIALITY

- 7.1 During the continuance of this Agreement or after its termination, the Custodian shall not disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may exclusively by virtue of being party to the Transaction Documents have become possessed and shall prevent any such disclosure as aforesaid, provided however that the provisions of this Article 7 shall not apply:
- (a) to any information already known to the Custodian without an obligation of confidentiality and otherwise than as a result of entering into any of the Transaction Documents;
  - (b) to any information subsequently received by the Custodian which it would otherwise be free to disclose;
  - (c) to any information which is or becomes public knowledge otherwise than as a result of the conduct of the Custodian or any of its Affiliates and each of its, and their employees, officers, directors, advisors and agents (collectively, the “**Representatives**”);
  - (d) to any extent that the Custodian is required to disclose the same pursuant to the CMHC Guide, the Covered Bond Legislative Framework, any Transaction Document



or any law or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other authority (including, without limitation, any official bank examiners or regulators);

- (e) to the extent that the Custodian needs to disclose the same for the protection or enforcement of any of its rights under any of the Transaction Documents or in connection herewith or therewith or for the purpose of discharging, in such manner as it thinks fit, its duties under or in connection with such agreements in each case to such persons as required to be informed of such information for such purposes, provided that it shall notify the Issuer and the Guarantor prior to such disclosure; or
- (f) in relation to any information disclosed to the professional advisers of the Custodian or to any credit rating agency or, with the consent of the Issuer and the Guarantor, any prospective new custodian.

The obligations of the parties pursuant to Article 7 shall survive termination of this Agreement.

#### **ARTICLE 8- INDEMNITY AND LIMITATION OF LIABILITY**

- 8.1 The Issuer agrees to defend, indemnify and hold harmless the Custodian, its successors and assigns, and its and each of their respective directors, officers, employees and agents (the **"Indemnified Parties"**) against and from any demands, claims, assessments, proceedings, suits, actions, costs, judgments, penalties, interest, liabilities, losses, damages, debts, expenses and disbursements (including expert consultant and legal fees and disbursements on a solicitor and client basis) (collectively, **"Claims"**) that the Indemnified Parties, or any of them, may suffer or incur, or that may be asserted against them, or any of them, in consequence of, arising from or in any way relating to this Agreement (as the same may be amended, modified or supplemented from time to time) or the Custodian's duties hereunder or any other services that the Custodian may provide to the Issuer or the Guarantor in connection with or pursuant to the terms of this Agreement or the Custodian's duties hereunder, except that no individual Indemnified Party shall be entitled to indemnification in the event such Indemnified Party is found to have acted in bad faith, engaged in wilful misconduct or been negligent.
- 8.2 The Issuer agrees that its liability hereunder shall be absolute and unconditional, regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding, and shall survive the termination of this Agreement.
- 8.3 No party to this Agreement shall be liable to any other party, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 8.3.

- 8.4 Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, Computershare Trust Company of Canada shall not be liable under any circumstances whatsoever for any special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.
- 8.5 The Custodian shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Custodian, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Custodian, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Issuer and the Guarantor, provided that (a) the Custodian's written notice shall describe the circumstances of such non-compliance; and (b) if such circumstances are rectified to the Custodian's satisfaction within such 10 day period, then such resignation shall not be effective.

#### **ARTICLE 9 - REMUNERATION, COSTS AND EXPENSES**

- 9.1 The Issuer shall pay to the Custodian as consideration for its services provided pursuant to this Agreement a fee of such amount as may be agreed to from time to time by the parties.
- 9.2 In addition to Section 9.1, the Issuer shall reimburse the Custodian on demand for all pre-approved reasonable travelling and other out of pocket expenses properly incurred by it, its agents, employees in the performance of its or their duties.
- 9.3 The Issuer shall further pay the Custodian such additional remuneration, or meet the cost of such additional expenses (including legal and accounting advice) as shall be agreed between the Custodian and the other parties hereto in the event that the Custodian finds it expedient or necessary or it is requested by the other parties hereto to undertake duties which the Custodian and the other parties hereto agree to be of an exceptional nature or otherwise outside the scope of the Custodial Services.
- 9.4 The Custodian is hereby authorized, at its discretion and at the expense of the Issuer:
- (a) to refer all documents or requests relating to the Custodial Services or any other matters to its legal department the Issuer's solicitors, or the solicitors for the Guarantor for direction and advice, and the Custodian, in so doing, shall be reimbursed by the Issuer for any cost and expense for any action taken by it in accordance with such instructions or advice. The Custodian may, however, accept and act on any documents which appear to it to be in order and, in such cases shall be indemnified and held harmless in accordance with Section 8.1; and
  - (b) to employ such counsel, consultants, experts, advisers, agents or agencies as it may reasonably require for the purpose of determining and discharging its duties hereunder.

The obligations of the parties pursuant to Article 9 shall survive the termination of this Agreement.

## ARTICLE 10 - TERMINATION

- 10.1 If the Custodian, the Issuer (including in its capacity as Seller or Servicer) or the Guarantor, as the case may be, shall commit a breach of this Agreement which is not capable of remedy or shall commit a breach of this Agreement which is capable of remedy but which is not remedied within 30 days of receipt by the Custodian or, as the case may be, such other party, of notice from any other party to this Agreement, or as the case may be, the Custodian, specifying such breach and requiring the same to be remedied, the Custodian, or as the case may be, the Issuer and the Guarantor (acting jointly; provided that the Guarantor may unilaterally terminate this Agreement by notice to the Custodian and the Issuer in the event of a default by the Custodian in the performance or observance of any of its covenants and obligations, or a breach by the Custodian of any of its representations and warranties, respectively, under Section 6.1) may terminate this Agreement forthwith by notice in writing to the Custodian, or as the case may be to the Issuer and the Guarantor jointly. A copy of any such notice shall be promptly delivered to the Bond Trustee.
- 10.2 If not previously terminated, this Agreement may be terminated by either the Custodian or the Issuer and the Guarantor (acting jointly) serving one (1) month notice (or such shorter period as may be agreed to by the parties hereto) in writing to the Issuer and the Guarantor (jointly), or as the case may be, the Custodian. A copy of any such notice shall be promptly delivered to the Bond Trustee.
- 10.3 Except when terminated as a result of a default by the Custodian in the performance or observance of any of its covenants and obligations, or a breach by the Custodian of any of its representations and warranties, respectively, under Section 6.1, where such termination shall be effective immediately, no termination of the Custodian hereunder will become effective until the appointment of a successor custodian in place of the Custodian. Upon the termination of the Custodian as custodian under this Agreement, each of the parties hereto shall use commercially reasonable efforts to appoint a successor custodian that satisfies the conditions set forth in Section 6.1.
- 10.4 The Guarantor shall provide notice to CMHC of the termination or resignation of the Custodian and of the Custodian's successor contemporaneously with the earlier of (i) notice of such termination or resignation and replacement to a Rating Agency, (ii) notice of such termination or resignation and replacement being provided to or otherwise made available to Covered Bondholders and (iii) five Business Days following such termination or resignation and replacement (unless the replacement has yet to be identified at that time, in which case notice of the replacement may be provided no later than 10 Business Days thereafter). Any such notice shall include (if known) the reasons for the termination or resignation of the Custodian, all information relating to the replacement required by the CMHC Guide and a revised and amended copy of this Agreement with such replacement.
- 10.5 The Guarantor shall, to the extent that DBRS is a Rating Agency, provide 10 Business Days' prior notice to DBRS of the replacement of the Custodian upon the termination or resignation thereof.

## ARTICLE 11- NOTICES

- 11.1 Any Notice, consent or approval (hereinafter collectively referred to as a "**Notices**") required or permitted to be given in connection with this letter agreement shall be in writing and shall

be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or electronic mail:

(a) in the case of Notices to the Custodian at:

Computershare Trust Company of Canada  
1500 University Street  
Suite 700  
Montréal, Québec  
Canada H3A 3S8

Attention: General Manager, Corporate Trust Services  
Fax: (514) 982-7677  
e-mail: Toni.DeLuca@computershare.com

(b) in the case of the Guarantor at:

NBC Covered Bond (Legislative) Guarantor Limited Partnership  
Box 48, Suite 5300  
Toronto Dominion Bank Tower  
Toronto, Ontario  
Canada M5K 1E6

Attention: Corporate Treasury  
c/o Éric Girard, Senior Vice-President  
Fax: (514) 394-8974  
e-mail: Eric.Girard@bnc.ca

(c) in the case of Notices to the Issuer, Seller or Servicer at:

National Bank of Canada  
600 De La Gauchetière Street West  
Montréal, Québec  
Canada H3B 4L2

Attention: Corporate Treasury  
c/o Éric Girard, Senior Vice-President  
Fax: (514) 394-8974  
e-mail: Eric.Girard@bnc.ca

(d) in the case of Notices to the Bond Trustee at:

Computershare Trust Company of Canada  
1500 University Street  
Suite 700  
Montréal, Québec  
Canada H3A 3S8

Attention: General Manager, Corporate Trust Services  
Fax: (514) 982-7677  
e-mail: Toni.DeLuca@computershare.com

Notices delivered or transmitted to a party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 4:00 p.m. local time in the place of delivery or receipt. If Notices are delivered or transmitted after 4:00 p.m. local time or if the day is not a Business Day, then the Notices shall be deemed to have been given and received on the next Business Day.

Any party hereto may, from time to time, change any of its notice details by giving written notice to the other parties in accordance with the provisions as set out herein.

#### **ARTICLE 12- NON-PETITION**

12.1 The Custodian agrees that it shall not institute or join any other Person or entity in instituting against, or with respect to, the Guarantor or any of the general partners of the Guarantor, any bankruptcy or insolvency event so long as any securities issued by the Guarantor shall be outstanding or there shall not have elapsed one year plus one day since the last day on which any such securities shall have been outstanding. The foregoing provision shall survive the termination of this Agreement by any party.

#### **ARTICLE 13 - GENERAL**

13.1 Except as otherwise expressly provided in this Agreement, the provisions of this Agreement may be amended or modified only by written agreement of all of the parties, and if any such amendment or any waiver of any provision of this Agreement is determined to be material in the opinion of the Guarantor, satisfaction of the Rating Agency Condition shall be required in respect thereof. The Guarantor (or the Cash Manager on its behalf) shall deliver notice to the Rating Agencies of any amendment or waiver which does not require satisfaction of the Rating Agency Condition provided that failure to deliver such notice shall not constitute a breach of the obligations of the Guarantor under this Agreement. This Agreement (and the benefits and obligations contained in it) may not be assigned by any party without the prior written consent of each of the other parties hereto and unless the Rating Agency Condition has been satisfied for any such assignment.

13.2 This Agreement may be executed in one or more counterparts, including by facsimile transmission, each of which when executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement.

13.3 This Agreement is a contract made and shall be governed by and construed in accordance with the law of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

13.4 Any legal action or proceeding with respect to this Agreement may be brought in the courts of the Province of Ontario and by execution and delivery of this Agreement, each of the parties hereto consents to the non-exclusive jurisdiction of those courts. Each of the parties hereto irrevocably waives, to the maximum extent permitted by law, any objection, including any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or any document related hereto. Each of the parties hereto waives personal service of any claim, notice of motion or application, summons,

complaint or other process, which may be made by any other means permitted by Ontario law.

*[Remainder of this page is intentionally left blank.]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the date first written above.

**COMPUTERSHARE TRUST COMPANY OF CANADA, as Custodian**

Per: "Carole Bedard"  
Name: Carole Bedard  
Title: Authorized Signatory

Per: "Nathalie Gagnon"  
Name: Nathalie Gagnon  
Title: Authorized Signatory

**NATIONAL BANK OF CANADA**

Per: "Eric Girard"  
Name: Eric Girard  
Title: Authorized Signatory

Per: \_\_\_\_\_  
Name:  
Title:

**NBC COVERED BOND (LEGISLATIVE) GUARANTOR LIMITED PARTNERSHIP** by its managing general partner **NBC COVERED BOND (LEGISLATIVE) GP INC.**

Per: "Eric Girard"  
Name: Eric Girard  
Title: Authorized Signatory

Per: \_\_\_\_\_  
Name:  
Title:

**COMPUTERSHARE TRUST COMPANY OF CANADA, as Bond Trustee**

Per: "Carole Bedard"  
Name: Carole Bedard  
Title: Authorized Signatory

Per: "Nathalie Gagnon"  
Name: Nathalie Gagnon  
Title: Authorized Signatory